

**Family Planning Queensland**  
(A Company Limited by Guarantee)  
ABN 61 009 860 164

**DIRECTORS' REPORT**  
**For the Financial Year ended 30 June 2010**

The Directors present their report on the company for the financial year ended 30 June 2010.

**DIRECTORS**

The names of Directors in office at any time during or since the end of the financial year ended 30 June 2010 are as follows:

Ms Patricia Davis  
Mr Matthew Schlyder  
Dr Charlotte Seib  
A/Prof Jayne Lucke  
Mr Paul Stephenson (resigned 3/8/09)  
Mrs Laurelle Williams (resigned 13/10/09)  
Prof Caroline de Costa (resigned 13/10/09)

**CASUAL DIRECTORS**

Prof Bruce Dunphy (appointed 21/7/10)  
Ms Dominique Grigg (appointed 22/7/10)  
Prof Kerry Mallan (appointed 22/7/10)

**Company Secretary**

Mr Christopher Macaulay (resigned 10/3/10)  
Ms Maryanne Hambrecht (appointed 15/3/10)

**DIRECTORS' DETAILS**

**Patricia Davis** Bphty, MBA (*Chairperson*)

Managing Director of SANDBOX Pty Ltd

Ms Davis is a marketing manager and business development professional with over 12 years' senior experience and has been a director of FPQ since 2004. An Associate Fellow and Certified Practising Marketer of the Australian Institute of Marketing, Tricia has worked across a broad array of sectors including energy, water, telecommunications, sustainability, health, education and community services and has a special interest in social marketing and the not-for-profit sector. She is currently the Managing Director of SANDBOX Pty Ltd, a marketing and business development agency she founded in 2003.

Special responsibilities: Chairperson; member of the Audit and Finance Committee; Council member of Sexual Health and Family Planning Australia (SH&FPA)

**Matthew Schlyder** Bbus, FCA (*Deputy Chairperson*)

CEO and Partner of Elliotts Accounting

Mr Schlyder has been a director since 2002.

Special responsibilities: Chairperson of the Audit and Finance Committee

**Charlotte Seib** BN, Grad Cert Sexual Health Nursing, MN Women's Health, PhD

Study Area Coordinator Women's Health at QUT School of Nursing

Dr Seib has extensive experience as a sexual and women's health nurse and is currently a lecturer and Study Area Coordinator for Women's Health at the QUT

School of Nursing and Midwifery. She has completed research which examined prostitution in Queensland including community attitudes towards sex work. Recent work explores the relationship between alcohol and other drug use, violence and health outcomes among at-risk families.

Special responsibilities: Member: Strategic Planning Committee; Board Governance Committee

**Jayne Lucke** BA (*Hons*) PhD

Associate Professor; Principal Research Fellow, UQ Centre for Clinical Research, The University of Queensland

Associate Professor Lucke was appointed in February 2008. She is a member of the Steering Committee of the Australian Longitudinal Study on Women's Health and conducts reproductive health research, with particular interests in contraception and infertility.

Special responsibilities: Member of the Strategic Planning Committee

**Paul Stephenson** RN, RIN, IPN, Grad Dip Sexual Health, Grad Cert Management District Manager, Mt Isa Health Service District

Mr Stephenson was appointed director in 2003 and resigned 27 August 2009.

**Laurelle Williams** RN, Midwife, BA, BApp Sc Nsg, MSPD, JP (Qual)

Mrs Williams has been a director since 2003. Mrs Williams is a Fellow of the Australian College of Midwives, conducts a pro bono mother/baby (child health) club at Nundah and provides support and advice to new mothers and their babies.

Additionally, through her church's refugee settlement programme, she is providing professional advice and assistance to several Karen, Kachin and Chin families (Burmese but long-term war refugees via UN camps in Thailand and Malaysia), their children and the expectant mothers. She has retired from paid employment. Mrs Williams resigned October 2009.

Special responsibilities: Member: Board Governance Committee; Supplementary Funding Working Group

**Caroline de Costa** MBBS, FRCS, FRCOG, FRANZCOG, MPH

Professor of Obstetrics and Gynecology James Cook University, Cairns

Professor de Costa has been in Medical Practice (full-time) since July 1973, including specialist obstetric and gynecological practice since 1981. Professor de Costa was appointed director in March 2009. Professor de Costa resigned October 2009.

Special responsibilities: Member of the Clinical Advisory Committee

**CASUAL DIRECTORS' DETAILS**

**Prof Bruce Dunphy** MB; ChB, MD, PhD MEd, FRANZCOG, FRCOG, CREI

Monash IVF Medical Director Queensland

Professor Dunphy has worked in the field of infertility and IVF for 20 years and is a subspecialist in Reproductive Gynaecology and Infertility. Bruce is also a Conjoint Professor of Education and has a strong background in medical administration.

Professor Dunphy was casually appointed to the Board in July 2010, and his election will be confirmed at the 2010 AGM to be held in November.

Special responsibilities: Chair of the Clinical Advisory Committee

**Ms Dominique Grigg** BCom, LLB, LLM, GAICD

Barrister

Ms Grigg has practiced in Queensland as a barrister for 8 years and prior to that was a Senior Associate at a leading national law firm. Ms Grigg practices commercial law with a particular emphasis on intellectual property law. She is also a graduate of the

Company Directors course. Ms Grigg was casually appointed to the Board in July 2010, and her election will be confirmed at the 2010 AGM to be held in November. Special responsibilities: Member of the Governance Committee

**Prof Kerry Mallan** PhD, MEdSt, BEdSt, GradDip(T-L), DipT  
 Professor, Faculty of Education, Queensland University of Technology  
 Professor Mallan has extensive experience in a wide range of areas that impact on children and youth. She has conducted large-scale research projects and published widely. Her specific expertise is gender and sexuality research, particularly with respect to young people, and youth cultures. Professor Mallan was casually appointed to the Board in July 2010, and her election will be confirmed at the 2010 AGM to be held in November.  
 Special responsibilities: Member of the Strategic Planning Committee

## CHIEF EXECUTIVE OFFICER

**Christopher Macaulay** DipTch, BEd, GAICD  
 Mr Macaulay has worked in public health related education and policy positions for the past twenty years. His experience in the health sector includes education and training, health promotion, policy development and direct service provision. Mr Macaulay has held previous public health roles with Queensland Health, NSW Health and the Brisbane City Council. Mr Macaulay was appointed company secretary on 7 January 2008. Mr Macaulay resigned March 2010.  
 Special responsibilities: Member: Audit and Finance Committee; Board Governance Committee: Strategic Planning Committee

**Maryanne Hambrecht** RN, RM Bach Health Admin  
 Ms Hambrecht has a long career in the private health industry working for Ramsay Healthcare and UnitingCare Health. Her experience in this sector includes direct service delivery, quality and risk management and development of innovative models of care. In 2001-2002, Ms Hambrecht provided consultative service for restructure of clinical services in Thailand. She has been actively involved in the redevelopment and construction of hospitals and aged care projects since 1997. Ms Hambrecht was appointed company secretary in April 2010.  
 Special responsibilities: Member: Audit and Finance Committee; Board Governance Committee; Strategic Planning Committee

## MINUTES OF MEETINGS OF DIRECTORS

The number of meetings held represents the number of meetings the Directors were eligible to attend.

YEAR: 2009	Directors' meetings		Board Governance Committee		Audit and Finance Committee		Strategic Planning Committee		Clinical Advisory Committee	
	Meetings attended	Meetings held	Meetings attended	Meetings held	Meetings attended	Meetings held	Meetings attended	Meetings held	Meetings attended	Meetings held
Patricia Davis	5	5			2	3				
Matthew Schlyder	5	5			3	3				
Jayne Lucke	4	5								

Professor Caroline de Costa									1	1
Charllotte Seib	5	5							1	1
Christopher Macaulay	3	3			1	1				
Maryanne Hambrecht	2	2			2	2				

Due to changes in the membership of the Board in the past year, matters regularly dealt with in the Board Governance Committee were handled by the full Board.

**The objects of FPQ are:**

- To promote sexual and reproductive health amongst the public.
- To prevent ill-health in the area of sexual and reproductive health.
- To educate the public in respect to all issues relating to sexual and reproductive health.
- To provide clinical, education and training services to attain the objects of FPQ.
- To raise and secure sufficient funds for the advancement of the objects of FPQ.
- To receive any funds and to distribute these funds in a manner that best attains the objects of FPQ; and
- To do all things which are incidental or conducive to the attainment of all or any of the objects of FPQ.

**FPQ's vision and mission are achieved by meeting the objects of the Strategic Plan 2009-2011. These include:**

- To provide high quality clinical, training, education and information services using the best available evidence within a quality assurance framework.
- To develop opportunities through research, partnership building, advocacy and marketing to increase the capacity of FPQ and other organisations to respond to the sexual and reproductive health needs of communities throughout Queensland.
- To acquire and use resources effectively so that FPQ increases its capacity to respond to needs within a secure and sustainable financial environment.
- To continue to improve FPQ resources and facilities to support the provision of excellent service and staff development.

**FPQ monitors the business by:**

- Bimonthly audit and finance meetings at which time financial statements and management reports are reviewed
  - The committee meets annually with the auditor to review the outcomes of the annual external audit
- Maintenance of RTO certification
- Six monthly performance reports prepared and provided to Queensland Health, including three monthly statistical analysis across all funded service areas
- Review and analysis of six monthly sales distribution data for resources and publications
- Funded projects have reference/steering groups to oversee specific strategies
- Regular review of the strategic plan

- Monitoring legislative requirements around drug management and infection control
- Medical and nursing registration compliance
- Maintenance of clinical incident reporting system
- Organisational risk management plan

## **PRINCIPAL ACTIVITIES AND REVIEW OF OPERATIONS**

The principal activities of the Company remained unchanged during the year and were to provide sexual and reproductive health and family planning services in accordance with the Constitution and to ensure all services are adequately funded.

The operating budget approved by the Board for 2009-2010 was a deficit budget of \$104,433. This predicted deficit was due to delays in Queensland Health being able to complete its negotiations for ongoing service agreements by the June deadline. The new agreements were finalised in December 2009 as was confirmation of a cost supplement of 3.25% in the 2009-2010 year to be paid to assist in an anticipated increase in employment costs during the year. The final result for this period was a surplus of \$24,215. The previous year's result was a surplus of \$9,905.

A significant upgrade to the Company's communication system was implemented during the year. This has resulted in significant savings in communication expenses. This upgrade was made possible by the early release of \$37,000 from Queensland Health's Population Health Information and Clinical Services Solution (PHICSS) project.

Cairns Services moved into their new premises in July 2009. Purchase of these premises has shown a rental saving of \$61,500 and this has offset the additional interest payments of \$56,242 on the bank loan for purchase of the property.

The Sunshine Coast Services relocated to new premises in June 2010. The new premises are located in Primary School Road, Maroochydore. Fit out costs have been managed through routine capital expenditure. This building includes Green Initiatives and we anticipate a reduction in utility charges.

During the year, the Company provided 21,113 clinic consultations. Over 33,000 clients participated in a range of community education/health promotion activities and 20,463 received workforce development services including professional development and training. The FPQ website received more than 270,000 hits, and over 4,000 resources were sold and 83,520 publications distributed throughout Queensland.

## **LIKELY DEVELOPMENTS**

Queensland Health has confirmed continuation of our service agreement for the Reproductive Health Program until June 2014. The Women's Reproductive Health project and the Multicultural Women's Education (FGM) project have been extended till July 2012. A further six month extension to 30 December 2010 has been provided in funding for the Cairns Sexual Assault Service program, while the state-wide review of sexual assault programs continues within Queensland Health.

The Correctional Facilities Education Project and the Youth Workforce project have both been extended till June 2011 with funding from the Communicable Diseases Branch of Queensland Health. The future funding for these projects will be informed by the review of the *Queensland HIV, Hepatitis C and Sexually Transmissible Infections Strategy 2005-2011*, which will occur in early 2011. Both of these projects have recently been externally reviewed and received excellent assessments.

The Young Indigenous People's Sexual Health project has been submitted to OATSIH for funding consideration for the budget period 2011-2014.

There is still a significant lack of details regarding the proposed introduction of the National Health Agreement, in particular how both the Federal and State Governments propose to fund Primary Healthcare programs and who will assume responsibility for the funding of these services in the future.

Our investment in regional infrastructure has FPQ well placed to respond to the localisation of services proposed under the Local Hospital Networks, and to continue to be a key provider of sexual and reproductive health services in Queensland. FPQ will also build on its long standing relationships with Divisions of General Practice and the Community Controlled Aboriginal Medical Services to influence the priorities of Primary Health Care Organisations, or Medicare Locals.

2010-2011 will also see FPQ implement a Quality Management System which will lead to the organisation's ISO9001:2008 certification and an increase in operational effectiveness and efficiency. During the coming year, staff and management will participate in the development of an Enterprise Agreement, which will clarify future staff salary costs and benefits and enable certainty in future planning processes.

An increase in research partnerships is also anticipated, building on the seeding grants and projects undertaken over the past 12 months. This will continue to recognise and develop the expertise of FPQ in developing and delivering excellent sexual and reproductive health and education services.

#### **MEMBERSHIP AND CATEGORIES**

The two categories of membership of the Company are: Ordinary or Affiliated membership. Eligible members must be over 18 years of age.

#### **MEMBERSHIP GUARANTEE**

The liability of the Members is limited strictly to an obligation for each Member to contribute \$30, if demanded, to the assets of FPQ if it is wound up while he or she is a Member, or within one year afterwards. Each member guarantees to make such payment if demanded.

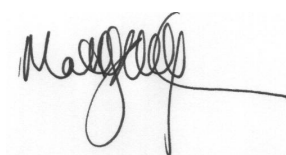
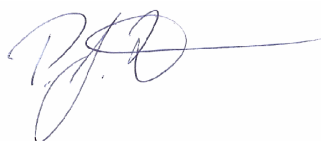
#### **AUDITOR'S INDEPENDENCE DECLARATION**

The Independence Declaration of the lead auditor is included in the Annual Report.

Signed in accordance with a Resolution of the Directors.

Patricia Davis – Chairperson

Matthew Schlyder – Deputy Chairperson



Date: 26 August 2010

Date: 26 August 2010

**DECLARATION OF INDEPENDENCE BY CHRISTOPHER J SKELTON TO THE DIRECTORS OF FAMILY PLANNING QUEENSLAND**

As lead auditor of Family Planning Queensland for the year ended 30 June 2010, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- any applicable code of professional conduct in relation to the audit.

Yours faithfully  
**BDO Audit (QLD) Pty Ltd**



**Christopher J Skelton**  
Director

Brisbane, 26 August 2010

**FAMILY PLANNING QUEENSLAND**

A.B.N. 61 009 860 164

(A Company Limited by Guarantee)

**STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2010**

	NOTE	2010 \$	2009 \$
		<u>          </u>	<u>          </u>
Revenue	2	7,212,707	6,993,386
Change in inventory of finished goods		23,098	(22,102)
Raw materials and consumables used		(154,152)	(149,406)
Employee benefits expense		(5,300,475)	(4,918,042)
Course expenses		(68,366)	(71,993)
Depreciation and amortisation expense		(141,456)	(110,621)
Insurance		(83,139)	(79,786)
Professional fees		(28,265)	(44,932)
Rent, rates, repairs and maintenance		(444,621)	(507,200)
Staff training and recruitment		(149,265)	(66,286)
Telecommunications		(34,017)	(58,070)
Travel costs		(131,230)	(151,771)
Other expenses		<u>(676,604)</u>	<u>(803,272)</u>
<b>Surplus for the year</b>	13	<u>24,215</u>	<u>9,905</u>
Other Comprehensive Income		-	-
<b>Total Comprehensive Income</b>		<u>24,215</u>	<u>9,905</u>

**STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2010**

	NOTE	2010 \$	2009 \$
		<u>          </u>	<u>          </u>
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	3	1,202,514	1,093,267
Trade and other receivables	4	137,280	154,647
Inventories	5	100,508	123,606
Other current assets	6	194,119	99,334
<b>TOTAL CURRENT ASSETS</b>		<u>1,634,421</u>	<u>1,470,854</u>
<b>NON CURRENT ASSETS</b>			
Property, plant and equipment	7	2,913,333	2,936,505
Intangible assets	8	1,128	1,692
<b>TOTAL NON CURRENT ASSETS</b>		<u>2,914,461</u>	<u>2,938,197</u>
<b>TOTAL ASSETS</b>		<u>4,548,882</u>	<u>4,409,051</u>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	10	1,165,337	1,129,436
Interest bearing liabilities	11	27,239	32,544
Short-term provisions	12	150,867	150,797
<b>TOTAL CURRENT LIABILITIES</b>		<u>1,343,443</u>	<u>1,312,777</u>
<b>NON-CURRENT LIABILITIES</b>			
Interest bearing liabilities	11	1,354,905	1,373,771
Long-term provisions	12	240,377	136,561
<b>TOTAL NON-CURRENT LIABILITIES</b>		<u>1,595,282</u>	<u>1,510,332</u>
<b>TOTAL LIABILITIES</b>		<u>2,938,725</u>	<u>2,823,109</u>
<b>NET ASSETS</b>		<u>1,610,157</u>	<u>1,585,942</u>
<b>EQUITY</b>			
Accumulated Surplus	13	1,610,157	1,585,942
<b>TOTAL EQUITY</b>		<u>1,610,157</u>	<u>1,585,942</u>
Commitments	14		

(The accompanying notes form part of these financial statements)

**FAMILY PLANNING QUEENSLAND**  
**A.B.N. 61 009 860 164**  
**(a Company Limited by Guarantee)**

**STATEMENT OF CHANGES IN EQUITY FOR YEAR ENDED 30 JUNE 2010**

	Note	Accumulated Surplus	Total
		\$	\$
<b>Balance at 1 July 2008</b>		1,576,037	1,576,037
Total comprehensive income for the year	13	9,905	9,905
<b>Balance at 30 June 2009</b>		<u>1,585,942</u>	<u>1,585,942</u>
Total comprehensive income for the year	13	24,215	24,215
<b>Balance at 30 June 2010</b>		<u>1,610,157</u>	<u>1,610,157</u>

The accompanying notes form part of these financial statements.

**FAMILY PLANNING QUEENSLAND**

A.B.N. 61 009 860 164

(a Company Limited by Guarantee)

**Statement of Cash Flows**

for the year ended 30 June 2010

	NOTE	2010 \$	2009 \$
<b>Cash flows from operating activities:</b>			
Receipts from trading		1,228,341	1,260,152
Receipts from grants		6,571,376	5,882,278
Interest received		39,828	66,878
Payments to suppliers and employees		(7,616,288)	(7,363,626)
<b>Net cash provided by/(used in) operating activities</b>	21	<u>223,257</u>	<u>(154,318)</u>
<b>Cash flows from investing activities:</b>			
Payment for plant, property and equipment		(89,839)	(980,291)
Proceeds from sale of plant, property and equipment		-	-
<b>Net cash used in investing activities</b>		<u>(89,839)</u>	<u>(980,291)</u>
<b>Cash flows from financing activities:</b>			
Proceeds from borrowings		-	850,000
Repayment of borrowings		(24,171)	(65,753)
<b>Net cash provided by financing</b>		<u>(24,171)</u>	<u>784,247</u>
Net increase/(decrease) in cash held		109,247	(350,362)
Cash at beginning of the financial year		1,093,267	1,443,629
<b>Cash at the end of the financial year</b>	21	<u>1,202,514</u>	<u>1,093,267</u>

# FAMILY PLANNING QUEENSLAND

A.B.N. 61 009 860 164

(A Company Limited by Guarantee)

## Notes to the financial statements for the year ended 30 June 2010

### 1 Statement of Significant Accounting Policies

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

The financial report covers the company, Family Planning Queensland as an individual entity. Family Planning Queensland is a public company, limited by guarantee and incorporated in Australia.

The financial report of Family Planning Queensland was authorised for issue by the Directors on 26 August 2010

A statement of compliance with International Accounting Standards cannot be made due to Family Planning Queensland applying the not for profit sector specific requirements contained in Australian Accounting Standards.

#### Reporting Basis and Conventions

The financial report has been prepared on an accrual basis and is based on historical costs modified where indicated by the revaluation of selected non-current assets, and financial assets and financial liabilities for which the fair value basis of accounting has been applied.

The following is a summary of the material accounting policies adopted by the company in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

#### Accounting Policies

##### a. Inventories

Inventories are measured at the lower of cost and net realisable value. The cost is calculated on the basis of invoice price to the company. Clinic supplies and leaflets are written off as consumables during the year, except for larger and more durable items, which are carried as inventory, the benefit of which will be realised in the ensuing financial year. Costs are assigned on a first-in first-out basis.

##### b. Property, plant and equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation.

###### *Property*

Freehold land and buildings are measured on the cost basis. It is the policy of the Company to have an independent valuation every three years, with annual appraisals being made by the directors.

###### *Plant and equipment*

Plant and equipment are measured on the cost basis. The carrying amount of plant and equipment is reviewed annually by the directors to ensure it is not in excess of the recoverable amount from these assets.

The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The decrement in the carrying amount is recognised as an expense in the income statement in the reporting period in which the recoverable amount of write down occurs. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

**Notes to the financial statements  
for the year ended 30 June 2010**

**Depreciation**

The depreciable amount of all fixed assets, excluding freehold land, is depreciated on a straight-line basis over their useful lives to the Company commencing from the time the asset is held ready for use.

Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

Depreciation rates for classes of assets held ranged as follows:

Freehold building	4%
Furniture and fittings	20%
Plant and equipment	8-30%
Motor vehicles	20%
Leasehold improvements	20-25%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the income statement. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

**c. Intangibles**

**Software**

Software is recorded at cost on payment date. Software is depreciated on a straight-line basis over a three year period. The residual value and useful life of software are reviewed, and adjusted if appropriate, at each balance sheet date.

**d. Leases**

Leases in the financial statements are operating leases in which the risks and benefits of ownership remain with the lessor. The payments for these operating leases are charged as expenses in the periods in which they are incurred.

**e. Employee Benefits**

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits expected to be settled within one year, have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs.

Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

Contributions are made by the Company to employees' superannuation funds and are charged as expenses when incurred.

**f. Provisions**

Provisions are recognised when the company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

**g. Cash and Cash Equivalents**

Cash and cash equivalents includes cash on hand and deposits held at call with banks.

**h. Income Tax**

The Company's income is exempt from tax under the Income Tax Assessment Act (as amended).

**Notes to the financial statements  
for the year ended 30 June 2010**

**i. Revenue Recognition**

The Company's main source of revenue is derived from several Queensland State Government Grants.

Grants received for the general purpose of operating the family planning clinical, educational and information services, as provided to the public, are taken to revenue as and when received.

Grants received for specific programs are taken to revenue when appropriate expenditure has been made. Until this time the grants are reflected as a liability of the Company. This is on the basis of the specific restrictions contained in the grant agreements.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Revenue from sale of goods is recognised upon the delivery of goods to customers.

Revenue from the rendering of a service is recognised upon the delivery of the service to the client.

All revenue is stated net of the amount of Goods and Services Tax (GST).

**j. Goods and Services Tax**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown as inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

**k. Comparative Figures**

Comparative figures have been adjusted to conform to changes in presentation for the current financial year where required by accounting standards or as a result of changes in accounting policy.

**l. Critical Accounting Estimates and Judgments**

The directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the company.

*Key estimates - valuation of property, plant, and equipment*

No impairment losses have been recognised in respect of property, plant, and equipment for the year ended 30 June 2010 as the company's estimates of the recoverable amounts are in excess of the carrying amounts of these assets.

*Key judgments - Doubtful debts provision*

The directors believe that the amount of provision for doubtful debts is justifiable based on historical knowledge of the debtors' account collection activities.

**m. Accounting Standard Issued, not yet Effective**

No Accounting Standards issued or amended that are applicable to the entity but are not yet effective have been adopted in the preparation of the financial statements. It is not expected that they will have a material effect on the financial statements when they are adopted.

**n. New Accounting Standards Issued and Applied**

During the current year, the company has adopted the revised Australian Accounting Standard AASB 101: Presentation of Financial Statements, which became mandatory and as a result there have been changes to the presentation and disclosure of certain information within the financial statements along with changes to the naming of certain statements

**Notes to the financial statements  
for the year ended 30 June 2010**

**2 Surplus**

The surplus has been determined after:

(a) Crediting as revenue

Revenue:

Sales - oral

- other

- resources

Commonwealth and State Government Public Health Outcome Funding Agreement

Other grants

Education and training

Clinic revenue

Interest received - other persons

Donations and sponsorships

Other income

2010

\$

2009

\$

73,092

43,011

142,493

4,045,849

1,928,129

608,820

145,033

39,828

173,765

14,881

7,214,901

81,320

38,809

143,476

3,610,502

2,068,005

635,921

124,282

66,878

199,845

20,756

6,989,794

Other income

Net loss on disposal of property, plant and equipment

(2,194)

3,592

Total revenue

7,212,707

6,993,386

6505924

(b) Charging as expenses

Cost of sales

204,004

152,234

Amortisation

Depreciation of non-current assets

- Freehold buildings and improvements

- Furniture and fittings

- Plant and equipment

- Motor vehicle

Total depreciation

Total depreciation and amortisation

Amounts set aside (credited) as provisions for

- Annual Leave

- Long Service Leave

- Other

Total bad and doubtful debts - trade debtors

Operating lease rentals

Interest paid

564

849

66,604

37,445

29,283

7,560

140,892

141,456

49,029

33,978

23,925

9,886

116,818

117,667

18,838

35,048

93,225

14,064

10,660

-

-

-

311,213

381,596

94,267

58,997

**3 Cash Assets**

Cash at bank

Cash at bank - Registered Training Organisation

Gift Fund

Cash on hand

Cash on short term investment - contingency account

Cash on short term investment - including grants paid in advance

Cash on short term investment - Wendy Darvill Memorial Fund

Cash on short term investment - Human Relations Network

Cash on short term investment - Research Fund

Cash on short term investment - Life Membership Fund

51,565

1,928

3,333

2,542

315,000

817,283

559

99

1,297

8,908

1,202,514

130,943

1,793

3,331

2,659

315,000

628,678

559

99

1,297

8,908

1,093,267

Investment deposits are available on demand.

**4 Trade and Other Receivables**

Trade Debtors

Less: provision for impairment

Other debtors

122,397

(3,865)

118,532

18,748

137,280

117,403

(3,865)

113,538

41,109

154,647

**Notes to the financial statements  
for the year ended 30 June 2010**

	2010 \$	2009 \$
<b>5 Inventories</b>		
Stock on hand (finished goods) - Note 1 (c)	<u>100,508</u>	<u>123,606</u>
<b>6 Other Current Assets</b>		
Prepayments	<u>194,119</u>	<u>99,334</u>
<b>7 Property, Plant and Equipment</b>		
Freehold land - at cost	<u>144,204</u>	<u>144,204</u>
Freehold buildings and improvements - at cost	3,139,179	3,106,504
Less: Accumulated depreciation	<u>1,100,735</u>	<u>1,042,150</u>
Written down value	<u>2,038,444</u>	<u>2,064,354</u>
Total land and buildings	<u>2,182,648</u>	<u>2,208,558</u>
Furniture and fittings - at cost	607,669	602,225
Less: Accumulated depreciation	<u>222,688</u>	<u>195,115</u>
Written down value	<u>384,981</u>	<u>407,110</u>
Plant and equipment - at cost	1,130,709	1,100,251
Less: Accumulated depreciation	<u>886,907</u>	<u>872,673</u>
Written down value	<u>243,802</u>	<u>227,578</u>
Motor vehicles - at cost	64,091	63,436
Less: Accumulated depreciation	<u>33,149</u>	<u>25,589</u>
Written down value	<u>30,942</u>	<u>37,847</u>
Leasehold improvements - at cost	186,259	162,692
Less: Accumulated amortisation	<u>115,299</u>	<u>107,280</u>
Written down value	<u>70,960</u>	<u>55,412</u>
Net book value	<u>2,913,333</u>	<u>2,936,505</u>
<p>An independent valuation of the Company's interest in Land and Buildings was conducted by the firm of Herron Todd White on 30 June 2008. The valuation totalled \$6,610,000. The valuation which has not been booked was based on an assessment of the market value of the Land and Buildings.</p>		
<b>8 Software</b>		
Software	100,890	100,890
Less: Accumulated amortisation	<u>99,762</u>	<u>99,198</u>
Written down value	<u>1,128</u>	<u>1,692</u>

**Notes to the financial statements  
for the year ended 30 June 2010**

**9 Movement in Carrying Amounts**

Movement in the carrying amounts between the beginning and the end of the financial year.

**a) Property, plant, and equipment**

	<b>Freehold Land</b>	<b>Buildings</b>	<b>Leasehold Improvements</b>	<b>Motor Vehicles</b>
	\$	\$	\$	\$
Balance at the beginning of year	144,204	2,064,354	55,412	37,847
Additions	-	32,675	23,567	655
Disposals	-	-	-	-
Depreciation and amortisation expense	-	(58,585)	(8,019)	(7,560)
Carrying amount at the end of the year	<u>144,204</u>	<u>2,038,444</u>	<u>70,960</u>	<u>30,942</u>

	<b>Plant and Equipment</b>	<b>Furniture and Fittings</b>	<b>Total</b>
	\$	\$	\$
Balance at the beginning of year	227,578	407,110	2,936,505
Additions	45,507	15,315	117,719
Depreciation and amortisation expense	(29,283)	(37,445)	(140,892)
Carrying amount at the end of the year	<u>243,802</u>	<u>384,980</u>	<u>2,913,332</u>

**b) Software**

Balance at the beginning of year	1,692
Additions	-
Disposals	-
Depreciation and amortisation expense	(564)
Carrying amount at the end of the year	<u>1,128</u>

	2010 \$	2009 \$
<b>10 Payables</b>		
Unsecured liabilities:		
Goods and services tax liability	119,564	91,687
Employee tax	46,594	46,972
Fees received in advance	39,800	29,382
Grants received and advance	163,895	254,897
Annual Leave	307,148	288,310
Other creditors and accrued expenses	<u>488,336</u>	<u>418,188</u>
	<u>1,165,337</u>	<u>1,129,436</u>

**11 Interest Bearing Liabilities**

Current		
Bank loan	<u>27,239</u>	<u>32,544</u>
Non-current		
Bank loan	<u>1,354,905</u>	<u>1,373,771</u>

The bank loan is a business loan with fix and variable facility drawn for the purpose of renovating the company head office premises including clinic and education centre during 2007. The company obtained additional business loan for the purpose of purchasing a property to accommodate its business operations in Cairns. The savings made in rental during FY 2009-2010 compensated the interest paid to the loan used to purchase the Cairns property.

The loan comprises two facilities bearing interest at the rate of 7.85% fixed for 5 years and 7.854% variable at 30 June 2010. The fixed loans are subject to monthly repayments with finalisation required by 17 April 2017. While the variable loan has an interest only facility for 5 years until Jan 2014. The interest and principal repayment for this loan will start in February 2014 subject to finalisation by January 2024.

Security for the bank facility comprises a registered mortgage over the company's property at 108 Alfred Street, Fortitude Valley and the new property at 182 Grafton Street, Cairns. The carrying value of these assets at 30 June 2010 were \$458,136 and \$820,564 respectively.

**12 Provisions - Current**

Employees benefits:		
Long service leave	125,884	136,474
Other	24,983	14,323
	<u>150,867</u>	<u>150,797</u>

**Provisions Non Current**

Long-term employee benefits:		
Opening balance at 1 July	136,561	115,759
Additional provisions raised during the year	103,816	20,802
Amounts used	-	-
Balance at 30 June	<u>240,377</u>	<u>136,561</u>
Aggregate employer entitlement liability	<u>391,244</u>	<u>287,358</u>

A provision has been recognised for employees benefits relating to long service leave for employees. In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based upon historical data. The measurement and recognition criteria for employee benefits has been included in Note 1.

**13 Accumulated Surplus**

Accumulated surplus at the beginning of the year	1,585,942	1,576,037
Net surplus for the year	24,215	9,905
Accumulated surplus at the end of the financial year	<u>1,610,157</u>	<u>1,585,942</u>

**Notes to the financial statements  
for the year ended 30 June 2010**

	2010	2009
	<u>\$</u>	<u>\$</u>
<b>14 Expenditure Commitments</b>		
<b>Operating leases:</b>		
Aggregate amount contracted for but not capitalised in the financial statements:		
Not later than 1 year	294,223	248,579
Later than 1 year but not later than 5 years	<u>392,144</u>	<u>316,272</u>
	<u>686,367</u>	<u>564,851</u>

Commitments due and payable under current operating lease agreements relate to premises at Gold Coast, Sunshine Coast, Toowoomba, Townsville, Rockhampton, Bundaberg and Ipswich.

Commitments for leases for computer and office equipment are also included in the amounts. Lease commitments are exclusive of Goods and Services Tax (GST).

**15 Auditor Remuneration**

Amounts received or due and receivable by the auditors for:

Auditing the accounts	18,644	18,000
Other services	<u>-</u>	<u>-</u>
	<u>18,644</u>	<u>18,000</u>

**16 Key Management Personnel Compensation**

	Salary & Fees	Super- Annuation	Non-cash Benefits	Total
<b>2010</b>	450,453	43,079	204,760	698,292
<b>2009</b>	418,321	43,649	163,742	625,712

The members of Family Planning Queensland Key Management Personnel during 2009-2010 are:

Christopher Macaulay – CEO (resigned March 2010)	Cecelia Gore - Director of Education and Community Services
Maryanne Hambrecht - CEO (appointed April 2010)	Caroline Harvey - Medical Director
Janette Anne Darr - Corporate Services Manager (resigned June 2010)	Margot Kingston - Director of Clinical Services
Zaldy Bolneo - Director of Finance	

Under the Company's Constitution no Director is permitted to receive fees or a salary from the Company. The names of the Company Directors who have held office during the financial year are:

Ms T. Davis (Chairperson)	Mr M. Schlyder
Dr D. Rowling (Resigned 13-Dec-08)	Mr P. Stephenson (Resigned 27-Aug-09)
Dr J. Lucke	Mrs L. Williams (Resigned 13-Oct-09)
Prof. C. de Costa (Resigned 13-Oct-09)	Dr C. Seib

**17 Funding Information**

The financial statements have been prepared on a going concern basis which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the ordinary course of business. The ability of the Company to maintain continuity of normal business activities and to pay its debts as and when they fall due is dependent upon continuing support from the Queensland State Government via grant funding, and continuing profitable operations. The current funding agreement between the Company and Queensland Government to fund the Company's Reproductive Health Program runs up until June 2014.

**Notes to the financial statements  
for the year ended 30 June 2010**

**18 Member's Guarantee**

The Company is limited by guarantee. If the Company is wound up, the constitution states that each member is required to contribute a maximum of \$30 towards meeting any outstanding obligations of the Company. At 30 June 2010 the number of members was 106 (2009: 98)

**19 Reconciliation of Cash**

For the purposes of the statement of cash flows, cash includes cash on hand and cash at bank. Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:

	2010	2009
	\$	\$
Cash on hand	2,542	2,659
Cash at bank	56,826	136,067
Cash on deposit	1,143,146	954,541
	<u>1,202,514</u>	<u>1,093,267</u>

**20 Cash Flows Presented on a Net Basis**

Cash flows arising from deposits in and withdrawals from savings, money market and other deposits are presented on a net basis in the Statement of Cash Flows.

**21 Reconciliation of Net Cash provided by Operating Activities to surplus**

Operating surplus	24,215	9,905
(Profit)/Loss on sale of assets	(2,194)	3,592
Non-cash flows in operating result:		
Amortisation	564	849
Depreciation	140,892	116,818
Changes in provisions		
- Annual leave	18,838	35,048
- Long service leave	93,225	14,064
- Other	10,660	-
Changes in assets and liabilities:		
(Increase)/decrease in receivables	17,367	(9,995)
(Increase)/decrease in stock	23,098	(22,101)
(Increase)/decrease in prepaid expenses	(94,785)	(4,475)
Increase/(decrease) in accrued expenses	42,334	119,295
Increase/(decrease) in goods and services tax liability	27,877	(28,227)
Increase/(decrease) in employee tax liability	1,750	(144)
Increase/(decrease) in grants in advance	(91,002)	(389,569)
Increase/(decrease) in prepaid fees	10,418	622
<b>Cash flows provided by/(used in) operations</b>	<u>223,257</u>	<u>(154,318)</u>

**Notes to the financial statements  
for the year ended 30 June 2010**

**22 Financial Instruments**

**(a) Financial Risk Management Policies**

The Company's financial instruments consist mainly of deposits with banks, short-term investments, accounts receivable and payable, and bank loans.

The entity does not have any derivative instruments at 30 June 2010.

**I. Financial Risks Exposures and Management**

The main risks the Company is exposed to through its financial instruments are interest rate risk, liquidity risk, and credit risk.

**Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. For the company, this arises on cash balances and term deposit investments.

Interest rate risk is managed by maintaining a term deposits for a relevant term to achieve the highest possible interest rate. No specific financial instruments such as interest rate hedges are considered necessary for the company's bank debt as the exposure to risk is not considered material.

**Credit risk**

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. For the company this arises from exposures to customers. The company does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the association.

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets, is the carrying amount of trade and other receivables, net of any provisions for impairment of those assets, as disclosed in the balance sheet and notes to the financial statements.

Credit risk is managed and reviewed regularly by the board of directors through the the Company's Audit and Finance Committee and the CEO.

**Liquidity risk**

Liquidity risk is the risk that the company may encounter difficulties raising funds to meet commitments associated with financial instruments.

It is the policy of the board of directors that the company maintains adequate cash reserves so as to meet financial commitments when required.

The company manages liquidity risk by regularly monitoring actual cash flows and long term forecasted cash flows.

**(b) Financial instrument composition and maturity analysis**

The table below reflects the undiscounted contractual settlement terms for financial instruments of a fixed period of maturity, as well as management's expectations of the settlement period for all other financial instruments. As such, the amounts may not reconcile to the balance sheet.

	Weighted Average Interest Rate		Floating Interest Rate		Non Interest Bearing		Total	
	2010	2009	2010	2009	2010	2009	2010	2009
	%	%	\$	\$	\$	\$	\$	\$
<b>Financial assets</b>	4.00% - 6.75%	4.00% - 6.00%						
Cash at bank			1,199,772	1,093,267	-	-	1,199,772	1,093,267
Cash on Hand					2,542	2,659	2,542	2,659
Trade and other receivables			137,280	154,647	-	-	137,280	154,647
<b>Total financial assets</b>			<u>1,337,052</u>	<u>1,247,914</u>	<u>2,542</u>	<u>2,659</u>	<u>1,339,594</u>	<u>1,250,573</u>
<b>Financial liabilities</b>								
Trade and other payables					692,031	708,545	692,031	708,545
Bank loans			1,382,144	1,406,315	-	-	1,382,144	1,406,315
<b>Total financial liabilities</b>			<u>1,382,144</u>	<u>1,406,315</u>	<u>692,031</u>	<u>708,545</u>	<u>2,074,175</u>	<u>2,114,860</u>

Trade and sundry payables are expected to be paid as follows:

	2010	2009
	\$	\$
<b>Trade payables</b>		
Less than 6 months	79,574	49,663
6 months to 1 year	-	-
	<u>79,574</u>	<u>49,663</u>
<b>Sundry payables</b>		
Less than 6 months	882,068	946,062
6 months to 1 year	-	-
	<u>882,068</u>	<u>946,062</u>

Bank loans are expected to be paid as follows:

	2010	2009
	\$	\$
<b>Bank loans</b>		
Less than 1 year	27,239	32,544
One to two years	54,478	65,088
	<u>81,717</u>	<u>97,632</u>

The remainder of the loan will be paid by the end of 15 year term.

**Notes to the financial statements  
for the year ended 30 June 2010**

**c) Net Fair Values**

For assets and liabilities the net fair value approximates their carrying value. No financial assets and financial liabilities are readily traded on organised markets in standardised form.

The aggregate net fair value and carrying amounts of financial assets and financial liabilities are disclosed in the statement of financial position and in the notes to the financial statements.

**Sensitive analysis**

*Interest rate risk*

No sensitive analysis has been performed for interest rate risk, as the effect of the interest rate fluctuations on the cash balances are considered not material.

**24 Company Details**

Family Planning Queensland is a company incorporated and domiciled in Australia.

The registered office and principal place of business of the company is:- 100 Alfred Street, Fortitude Valley Qld 4006.

**25 Events After the Balance Sheet Date**

There is no relevant event that the company is required to report after the balance sheet date.

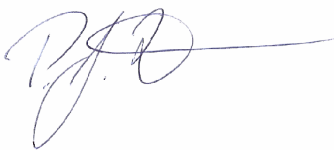
**Family Planning Queensland**  
(A Company Limited by Guarantee)  
A.B.N 61 009 860 164

**DIRECTORS' DECLARATION**  
**For the Financial Year ended 30 June 2010**

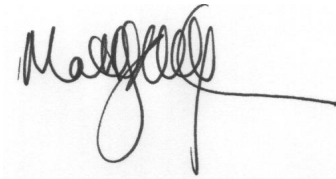
The directors of the company declare that:

1. The financial statements and notes are prepared in accordance with the Corporations Act 2001; and
  - a. comply with Accounting Standards and the Corporations Regulations 2001; and
  - b. give a true and fair view of the financial position as at 30 June 2010 and of the performance for the year ended on that date of the company.
2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable. In the making of this statement, the directors have taken into consideration the matters detailed in Note 17 of the financial report and in the Directors' Report.

This declaration is made in accordance with a resolution of the Board of Directors.



Patricia Davis – Chairperson  
Dated: 26 August 2010



Matthew Schlyder – Deputy Chairperson  
Dated: 26 August 2010

## **INDEPENDENT AUDITOR'S REPORT**

**To the members of Family Planning Queensland**

### **Report on the Financial Report**

We have audited the accompanying financial report of Family Planning Queensland, which comprises the statement of financial position as at 30 June 2010, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration.

### **Directors' Responsibility for the Financial Report**

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Independence**

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001. We confirm that the independence declaration required by the Corporations Act 2001 would be in the same terms if it had been given to the directors at the time that this auditor's report was made.



### **Auditor's Opinion**

In our opinion the financial report of Family Planning Queensland is in accordance with the Corporations Act 2001, including:

- (a) giving a true and fair view of the company's financial position as at 30 June 2010 and of its performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.

**BDO Audit (QLD) Pty Ltd**

BDO

A handwritten signature in black ink, appearing to read 'Chris Skelton', with a long horizontal flourish extending to the right.

**Christopher J Skelton**  
Director

Brisbane, 26 August 2010